



HARMONISED SYSTEM (HS) & SOURCES OF TRADE DATA

Training Programme on International Trade and WTO Issues
Centre for WTO Studies, IIFT
6 March 2012

TARIFF BINDINGS

- When a country undertakes to “bind” a tariff on a product in the WTO, it cannot raise the tariff on that product beyond the “bound” level.
- This ceiling rate is incorporated into a country's *schedule of concessions*.
- It may apply a lower tariff at its own discretion (applied rate less than or equal to bound rate).



TYPES OF TARIFFS

- Ad valorem tariff: A tariff calculated as a percentage of the value of an imported good.
- Non- ad valorem bindings generally expressed in the following different formulations:
 - Specific duties: specific units of currency levied per unit of quantity (e.g., weight, surface, piece, head, etc.). - tariff of US\$ 10 per kilogram of butter imported.
 - Compound duties: a duty comprising an *ad valorem* duty to which a specific duty is either added or subtracted, such as 10 percent plus US\$ 5 per kilogram.
 - Mixed duties: a conditional choice between an *ad valorem* duty and a specific duty, subject to an upper and/or a lower limit. For example, 10 percent or US\$ 5 per kilogram, whichever is greater
- Other formulations (residual category): duties may be determined by technical factors. For example, the content of the agricultural component (e.g. sugar, milk, alcohol content, etc.) determines the amount of the duty.

HS Code	Description of products	Base rate of duty			Bound rate of duty		Implementation
		Ad valorem	Other	U/B	Ad valorem	Other	period from/to
		(%)			(%)		
1	2		3			4	5
0204	Meat of sheep or goats, fresh, chilled or frozen:						
0204.10.00	Carcasses and half-carcasses of lamb, fresh or chilled.....		1.1¢/kg			0.7¢/kg	
	Other meat of sheep, fresh or chilled:						
0204.21.00	Carcasses and half-carcasses.....		3.3¢/kg*			2.8¢/kg	
0204.22	Other cuts with bone in:						
0204.22.20	Lamb.....		1.1¢/kg			0.7¢/kg	
0204.22.40	Other.....		3.3¢/kg*			2.8¢/kg	
0204.23	Boneless:						
0204.23.20	Lamb.....		1.1¢/kg			0.7¢/kg	
0204.23.40	Other.....		3.3¢/kg*			2.8¢/kg	



OVERVIEW OF THE HS SYSTEM



THE HARMONIZED SYSTEM (HS)

- **Multipurpose Goods Nomenclature developed and maintained by the World Customs Organization (WCO).**
- **Basis for Customs Tariffs and Trade Statistics of more than 200 countries and economies.**
- **A universal economic language and code for transportable goods (for services - UN CPC).**
- **Other (older) nomenclatures: CPC, ITIC, SITC**





THE HARMONIZED SYSTEM (HS)

◦ *MAIN OBJECTIVES*

- **To facilitate international trade**
- **Collection, comparison and analysis of trade statistics**
- **Standardization of trade documentation & data transmission**





THE HARMONIZED SYSTEM (HS)

○ Used by :

- **Governments and Customs**
- **Statisticians**
- **International organizations**
- **Private sector**

Many purposes, such as :

Tariff bindings, trade flows, monitoring of controlled goods, rules of origin, price monitoring, quota controls, economic research and analysis...





THE HARMONIZED SYSTEM (HS)

- **Implemented in 1988**

HS Codes : 5019

- **Amended in 1992**

- Mainly editorial

HS Codes : 5018

- **Amended in 1996**

- 393 sets of amendments

HS Codes : 5113

- **Amended in 2002**

- 374 sets of amendments

HS Codes : 5224

- **Amended in 2007**

- 354 sets of amendments

HS Codes : 5052

- **Draft 2012 Amendments**

– 221 sets of amendments

HS Codes : 5211





THE HARMONIZED SYSTEM (HS)

○ **Structure** (2007-edition)

21 Sections

- 96 Chapters

- 1,221 4-digit headings

- 5,052 6-digit subheadings





THE HARMONIZED SYSTEM (HS)

○ Hierarchical structure of the code

3004. (medicaments containing penicillin).

- **30** = Chapter no.
- **04** = the fourth heading within Chapter 30.
- - further subdivision within heading 30.04,
at 5-digit level (“one-dash” subheading).
-- Many two-dash (6-digit) subdivisions.





THE HARMONIZED SYSTEM (HS)

◦ Relation to national Customs tariffs

- ***CUSTOMS TARIFFS AND STATISTICAL NOMENCLATURES IN CONFORMITY WITH THE HS :***
 - Use all headings and subheadings together with their related numerical codes.
 - General Rules of Interpretation, all Section Notes, Chapter Notes and Subheading Notes.
 - Follow the numerical sequence of the HS.
 - No modifications permitted except **textual adaptations** for the purposes of domestic law.





THE HARMONIZED SYSTEM (HS)

080520 - Mandarins

080521 - - Fresh

080529 - - Other

In national nomenclature

080520 - Mandarins

08052010 - - Fresh

08052090 - - Other





DATA SOURCES FOR RESEARCH ON WTO AND OTHER TRADE ISSUES

KIND OF DATA REQUIRED FOR ANALYSIS OF MULTILATERAL/BILATERAL/REGIONAL FTAS

- Trade data
- Tariff data
- Services data
- FDI data
- Macro Variables: GDP, population, poverty rate, etc.
- Global data and India-specific data



IMPORTANT DATA SOURCES

- World Integrated Trade Solution (WITS)
- WTO Website
- Ministry of Commerce (Govt. of India)
- Directorate General of Commercial Intelligence and Statistics (DGCI&S)
- World Bank
- International Trade Centre
- Other Global Data sources (UN, IMF, FAO etc.)
- Other India Specific Data sources



WORLD INTEGRATED TRADE SOLUTION (WITS)

- WITS is a software which is designed to integrate several trade related databases and provide easy access to international trade and protection related data
- UN COMTRADE (United Nations Commodity Trade Statistics)
 - Maintained by the UNSD
 - Provides data for exports and imports by detailed commodity-wise and partner country-wise
- TRAINS (Trade Analysis and Information System)
 - Maintained by the UNCTAD
 - Imports, Tariffs, Para-Tariffs & Non-Tariff Measures at national tariff level
- IDB (Integrated Data Base) and CTS (Consolidated Tariff Schedules)
 - Maintained by the WTO
 - MFN Applied, Preferential & Bound Tariffs at national tariff level

WTO WEBSITE

- Trade, Tariff, Service Profiles
 - <http://stat.wto.org/Home/WSDBHome.aspx?Language=E>
- Tariff analysis Online
 - http://www.wto.org/english/tratop_e/tariffs_e/tariff_data_e.htm
- International Trade Statistics
 - http://www.wto.org/english/res_e/statis_e/statis_e.htm
- Regional Trade Agreement
 - <http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx>



OTHER SOURCES

- Ministry of Commerce (Govt. of India)
 - <http://commerce.nic.in/eidb/default.asp>
- Directorate General of Commercial Intelligence and Statistics (DGCI&S)
 - <http://www.dgciskol.nic.in/>
- World Bank
 - <http://databank.worldbank.org/ddp/home.do>
- International Trade Centre
 - <http://www.intracen.org/>



OTHER GLOBAL DATA SOURCES

- United Nations (UNSD, UNDP and others)
- IMF (<http://www.imf.org/>)
- FAO (<http://www.fao.org/>)
- ILO (<http://www.ilo.org/>)
- OECD (<http://www.oecd.org/>)
- ESCAP (<http://www.unescap.org/tid/artnet/>)
- Global Trade Alert (<http://www.globaltradealert.org/>)
- Global Trade Information Services
(<http://www.gtis.com/english/>)
- Bilateral sources: EuroStat, USTR



INDIA SPECIFIC DATA SOURCES

- Annual Survey of Industries (mospi.nic.in/)
- CMIE Prowess Database (www.cmie.com)
- NSSO (mospi.nic.in/)
- Ministry of Finance (finmin.nic.in/)
- IndiaStat (www.indiastat.com/)
- RBI (www.rbi.org.in/)
- Planning Commission
(planningcommission.nic.in/)
- Census of India (censusindia.gov.in)



- Questions/Comments?
- Thank you for your attention!!

